

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Donna Coonan is an Assistant Finance Director for the City of Daly City (the “City”). As an Assistant Finance Director, Respondent is a designated employee of the City, as defined in Section 82019, subdivision (c) of the Political Reform Act (the “Act”),<sup>1</sup> and in the City’s conflict of interest code.

As required by the Act and the City’s conflict of interest code, each designated employee of the City is required to file an annual statement of economic interests (“SEI”) by April 1<sup>st</sup> of each year that the employee remains in office (unless April 1<sup>st</sup> falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).<sup>2</sup> On the annual SEI, the designated employee must disclose his or her reportable economic interests held during the preceding calendar year. Each designated employee is also required by the Act and the City’s conflict of interest code to file a leaving office SEI within 30 days of leaving office. The leaving office statement must disclose the employee’s reportable economic interests held between the closing date of the last required statement and the date of leaving office.

In this matter, Respondent failed to timely file a year 2000 annual SEI by the April 2, 2001 due date, and failed to file a leaving office SEI within 30 days of leaving office.

The Enforcement Division handled this case on an expedited basis under the SEI Expedited Procedures adopted by the Commission in July of 1999.

For the purposes of this Stipulation, Respondent’s violations are stated as follows:

COUNT 1: As a designated employee of the City of Daly City, Donna Coonan failed to timely file a year 2000 annual statement of economic interests by April 2, 2001, in violation of Section 87300 of the Government Code.

COUNT 2: As a designated employee of the City of Daly City, Donna Coonan failed to file a leaving office statement of economic interests within 30 days of leaving office, in violation of Section 87300 of the Government Code.

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<sup>1</sup> The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

<sup>2</sup> Regulation 18116.

## **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to ensure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, Section 87300 requires every agency to adopt and promulgate a conflict of interest code. The agency's conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and other income. Under Section 82019, subdivision (c), and Section 87302, subdivision (a), the individuals who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on one or more of the individual's economic interests.

Section 87302, subdivision (b), provides that under an agency's conflict of interest code, each designated employee must be required to annually file a statement of economic interests for each year that the employee remains in office, at a time specified in the agency's conflict of interest code, disclosing his or her reportable economic interests for the preceding calendar year. Each designated employee must also be required to file a statement of economic interest within 30 days of leaving office, disclosing his or her reportable economic interests for the period between the closing date of the last statement required to be filed and the date of leaving office.

Under Section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

## **SUMMARY OF THE FACTS**

### COUNT 1

Respondent Donna Coonan was an Assistant Finance Director for the City of Daly City. Respondent was a designated employee of the City, as defined in Section 82019, subdivision (c) of the Act, and in the City's conflict of interest code. Respondent was thereby required to file an annual statement of economic interests by April 1<sup>st</sup> of each year that she remained in office (unless April 1<sup>st</sup> falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).

On February 27, 2001, Helen Flowerday, City Clerk for Daly City, sent to Respondent a copy of the Form 700, statement of economic interests form, that must be completed annually, along with a memorandum explaining that the form was to be completed and returned to the City Clerk's office by April 2, 2001. Ms. Flowerday later sent a reminder notice to Respondent on March 27, 2001, reiterating the need to file a year 2000 annual SEI by April 2, 2001.

Despite the reminders sent to Respondent by Ms. Flowerday, Respondent failed to file a year 2000 annual statement of economic interests by the April 2, 2001 due date, in violation of Section 87300.

On April 11, 2001, Ms. Flowerday sent a letter to Respondent, reminding her that her year 2000 annual statement of economic interests was due by April 2, 2001 and had not been received. In spite of this reminder, Respondent failed to file a year 2000 annual statement of economic interests as requested. Ms. Flowerday therefore sent a second letter to Respondent on May 24, 2001, advising Respondent that her year 2000 annual statement of economic interests was past due, and advising her that she was now liable for a late filing fee of \$100. She also informed Respondent that she would be referring the matter to the Fair Political Practices Commission (the "FPPC") if she did not receive the statement by June 7, 2001. When the statement was not filed in response to this second letter, the City Clerk's office referred Respondent's delinquent filing to the Enforcement Division of the FPPC.

On July 10, 2001, Investigator Bonnie Swaim of the Enforcement Division attempted to contact Respondent, leaving a message with the City's Human Resource Department for Respondent to contact her. On July 12, 2001, Investigator Swaim received a call from Respondent, and advised Respondent to file her year 2000 annual SEI immediately. Respondent indicated that she would fax the SEI to Investigator Swaim as soon as possible.

Investigator Swaim did not receive a copy of the delinquent SEI from Respondent by July 18, 2001, and was informed by a clerk at the City Clerk's office that Respondent had not filed the delinquent SEI with their office either, although Respondent had recently been at the office. Investigator Swaim left a message for Respondent at her home about the SEI, but Investigator Swain received no response to the message.

Thereafter, in response to being contacted by an Enforcement Division attorney in January 2002, Respondent filed her delinquent year 2000 annual SEI in conjunction with reaching this stipulated settlement.

## COUNT 2

As a designated employee of the City of Daly City, Respondent was required by Section 82019, subdivision (c) of the Act, and the City's conflict of interest code, to file a statement of economic interests within 30 days of leaving office, disclosing her reportable economic interests held or received between the closing date of the last statement required to be filed and the date she left office.

On August 28, 2001, Respondent left office as an Assistant Finance Director for Daly City, and did not file a leaving office statement of economic interests within 30 days of leaving office, in violation of section 87300.

Thereafter, in response to being contacted by an enforcement Division attorney in January 2002, Respondent filed her delinquent leaving office SEI in conjunction with reaching this stipulated settlement

### **CONCLUSION**

This matter consists of two counts of violating Section 87300, which carries a maximum administrative penalty of Ten Thousand Dollars (\$10,000). However, under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an SEI non-filer who does not file his or her delinquent statements of economic interests until after being contacted by an Enforcement Division attorney is between Four Hundred and Six Hundred Dollars (\$400-\$600) per count.

The facts of this case, particularly the fact that Respondent was contacted five times about her filing obligations prior to an Enforcement Division attorney inducing her to file her overdue statements, justify imposition of the agreed upon penalty of Eight Hundred Dollars (\$800.00).